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**WILLOUGHBY & HOEFER, P.A.**

ATTORNEYS & COUNSELORS AT LAW

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COLUMBIA, SOUTH CAROLINA 29202-8416

*[Handwritten signature/initials]*

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AREA CODE 803  
TELEPHONE 252-3300  
TELECOPIER 256-8062

\*ALSO ADMITTED IN TX

July 2, 2012

**VIA HAND-DELIVERY**

The Honorable Jocelyn D. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29211

RE: Application of Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities for adjustment of rates and charges for, and modification to certain terms and conditions related to, the provision of sewer service. Docket No. 2012-94-S

Dear Ms. Boyd:

Enclosed for filing are the original and one (1) copy of the Application of Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing.

By copy of this letter, we are providing a copy of this filing to the Executive Director of ORS in accordance with 26 S.C. Code Regs. 103-504. I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copy that is enclosed and returning it to me via my courier.

If you have any questions or if you need any additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

**WILLOUGHBY & HOEFER, P.A.**

*[Handwritten signature of John M.S. Hoefer]*  
John M.S. Hoefer

JMSH/sw  
Enclosures  
cc: Honorable C. Dukes Scott

**STATE OF SOUTH CAROLINA**

**(Caption of Case)**

Application of Palmetto Wastewater Reclamation LLC  
d/b/a Alpine Utilities for adjustment of rates and  
charges for, and the modification of certain terms and  
conditions related to, the provision of sewer service.

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET**

**DOCKET  
NUMBER:** 2012 - 94 - S

(Please type or print)

**Submitted by:** John M. S. Hoefer, Esquire

**SC Bar Number:** 2549

**Telephone:** 803-252-3300

**Address:** PO Box 8416

**Fax:** 803-771-2410

Columbia, South Carolina 29202-8416

**Other:** \_\_\_\_\_

**Email:** jhoefer@willoughbyhoefer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ **Emergency Relief demanded in petition**

☐ **Request for item to be placed on Commission's Agenda expeditiously**

☒ **Other:** \_\_\_\_\_

**INDUSTRY (Check one)**

- ☐ Electric
- ☐ Electric/Gas
- ☐ Electric/Telecommunications
- ☐ Electric/Water
- ☐ Electric/Water/Telecom.
- ☐ Electric/Water/Sewer
- ☐ Gas
- ☐ Railroad
- ☒ Sewer
- ☐ Telecommunications
- ☐ Transportation
- ☐ Water
- ☐ Water/Sewer
- ☐ Administrative Matter
- ☐ Other: \_\_\_\_\_

**NATURE OF ACTION (Check all that apply)**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Affidavit                 | <input type="checkbox"/> Letter                            | <input type="checkbox"/> Request                   |
| <input type="checkbox"/> Agreement                 | <input type="checkbox"/> Memorandum                        | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Answer                    | <input type="checkbox"/> Motion                            | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Appellate Review          | <input type="checkbox"/> Objection                         | <input type="checkbox"/> Resale Agreement          |
| <input checked="" type="checkbox"/> Application    | <input type="checkbox"/> Petition                          | <input type="checkbox"/> Resale Amendment          |
| <input type="checkbox"/> Brief                     | <input type="checkbox"/> Petition for Reconsideration      | <input type="checkbox"/> Reservation Letter        |
| <input type="checkbox"/> Certificate               | <input type="checkbox"/> Petition for Rulemaking           | <input type="checkbox"/> Response                  |
| <input type="checkbox"/> Comments                  | <input type="checkbox"/> Petition for Rule to Show Cause   | <input type="checkbox"/> Response to Discovery     |
| <input type="checkbox"/> Complaint                 | <input type="checkbox"/> Petition to Intervene             | <input type="checkbox"/> Return to Petition        |
| <input type="checkbox"/> Consent Order             | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation               |
| <input type="checkbox"/> Discovery                 | <input type="checkbox"/> Prefiled Testimony                | <input type="checkbox"/> Subpoena                  |
| <input type="checkbox"/> Exhibit                   | <input type="checkbox"/> Promotion                         | <input type="checkbox"/> Tariff                    |
| <input type="checkbox"/> Expedited Consideration   | <input type="checkbox"/> Proposed Order                    | <input type="checkbox"/> Other: _____              |
| <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest                           |  |
| <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit             |  |
| <input type="checkbox"/> Late-Filed Exhibit        | <input type="checkbox"/> Report                            |  |

**Print Form**

**Reset Form**

**BEFORE THE**  
**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**  
**DOCKET NO. 2012-94 -S**

IN RE:	)	
	)	
Application of Palmetto Wastewater	)	
Reclamation LLC d/b/a Alpine	)	
Utilities for adjustment of rates and	)	
charges for, and the modification of	)	<b>APPLICATION</b>
certain terms and conditions related to,	)	
the provision of sewer service.	)	
_____	)	

Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities, Inc. (“Applicant” or “Company”) would respectfully show unto, and request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a Delaware limited liability company that is authorized to conduct business in the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(4) (Supp. 2011), providing sewer service to the public for compensation in certain areas of Richland and Lexington counties pursuant to rates set by the Commission in Order No. 2008-759, issued November 6, 2008, in Docket No. 2008-190-S, and approved for use by Applicant in Order No. 2011-320, dated May 13, 2011, in Docket No. 2011-65-S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representatives:**

Mr. R. Stanley Jones, P.E.  
Mr. Benny Wilkinson  
Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities  
1710 Woodcreek Farms Road  
Elgin, South Carolina 29045

b. **Legal Counsel:**

John M. S. Hoefer, Esquire  
Benjamin P. Mustian, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
(803) 252-3300

**REQUEST FOR RATE RELIEF AND MODIFICATIONS  
TO TERMS AND CONDITIONS OF SERVICE**

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2011) and S.C. Code Ann. Regs. 103-512.4.A (Supp. 2011) and 103-503 (Supp. 2011), Applicant requests that the Commission approve the rates, charges, conditions and terms of service set forth in the five (5) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A." In regard to the specific content of the proposed rate schedule, Applicant states that it includes, *inter alia*, the following:

- a. an adjustment in the amount of the monthly sewer service charge;
- b. the addition of a disconnection notification fee, customer account charge, late payment charge, and service reconnection charges, and;<sup>1</sup>

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<sup>1</sup> The last two of these charges are set at the amounts specified in Commission regulations 103-532.2 and 103-532.4, respectively. As to the proposed disconnection notification fee, the Company submits that it is cost justified as the notification by certified mail is required by Commission regulation 103-535.1 (Supp. 2011), the Company incurs costs associated with certified mail postage and charges imposed by the U.S. Postal Service, and the time and effort expended by Company personnel in complying with the requirements of the regulation are properly captured by way of a fee imposed upon a customer whose service is to be disconnected. Similarly, a customer account charge in the amount proposed is warranted as it recovers costs of initiating service to persons not

c. the addition of a single family equivalency rating system based upon hydraulic loading factors, consistent with S.C. Code Ann. Regs. 61-67, Appendix A, to be applied to the proposed monthly service charge and the non-recurring connection charge in lieu of the currently approved rate design which employs biochemical oxygen demand as the basis for the equivalency ratings used to set monthly service rates for non-residential customers;

d. the addition of language relating to billing to multi-dwelling buildings consisting of four or more units to reflect Applicant's discretion to offer tenant billing as permitted under S.C. Code Ann. § 27-33-50;

e. the addition of language setting customer billing cycles, toxic and pretreatment effluent guidelines, requirements for satellite systems, construction standards, extension of lines and mains, and the availability of multi-tap capacity.

### **SUPPORTING DOCUMENTATION**

5. Applicant proposes a test year of January 1, 2011 to December 31, 2011, and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B," pages 1 through 14. These financial statements include the following:

- a. Balance Sheet (Schedule A); and
- b. Current and pro forma income and expense statements (Schedule B);
- c. Schedule of billed revenue at current and proposed rates (Schedule C);
- d. Schedule of fixed assets and depreciation (Schedule D), and
- e. Schedule of present and projected customers (Schedule E).<sup>2</sup>

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yet customers of the utility. Applicant submits further that these two proposed charges are cost justified given that they are within the range for such charges authorized by the Commission for other jurisdictional sewer utilities.

<sup>2</sup> Commission regulation 103-512.4.A(9), insofar as it pertains to tap fees, is inapplicable as no increase in a tap fee is sought herein. Similarly, Commission regulation 103-823.A.3(g) is inapplicable as rate base treatment is not sought herein.

6. Attached hereto and incorporated herein by this reference as Exhibit "C" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.

8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2011), a map depicting Applicant's current service area, and its most recent Annual Report are on file with the Commission.

9. Evidence of the Applicant's last period paid Gross Receipts report is attached hereto and incorporated herein by reference as Exhibit "E".

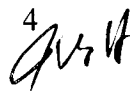
10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules 103-512.4.A and 103-823 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.<sup>3</sup>

#### **NEED AND JUSTIFICATION FOR RATE RELIEF**

11. It has been four (4) years since Alpine Utilities last sought rate relief from this Commission. In the three years following the last rate case, approximately \$391,000 was invested in the system serving Alpine Utilities customers. Since then, the system serving Alpine Utilities customers has been acquired by Applicant with the approval of this Commission. As reflected in the Commission's order approving that acquisition, the system acquired by Applicant

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<sup>3</sup> To the extent any provision of Commission regulation requiring additional information is not complied with herein, it is due to Applicant's belief that same does not apply. *See, e.g., n.2, supra.* To the extent any such regulation requirement is deemed to be applicable, Applicant respectfully requests a waiver of same pursuant to Rule 103-803.

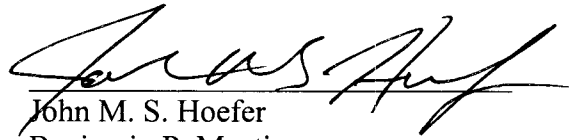
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was in need of additional, significant upgrades. Applicant has, in fact, made significant upgrades to the Alpine system, including improvements to nearly every component of the system, including the treatment plant, manholes, mains and lines at a cost of approximately \$2.5 Million. Thus, nearly \$2.9 Million has been invested in the system since the last rate case. Further, Applicant has increased the inspection, cleaning and repair of lines for the purpose of reducing inflow and infiltration and the instances of sanitary sewer overflows. The operating expenses for the Alpine system have increased by approximately \$1.04 Million since its last test year. Applicant has attempted to make customers aware of the system upgrades and increased expenditures in three (3) separate “town hall” meetings sponsored by the Company at various locations in its service area in the fall of 2011 and winter of 2012. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates are also necessary in order that the Applicant may comply with standards and regulations set by the South Carolina Department of Health and Environmental Control or other environmental regulatory authorities. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality sewer services.

**WHEREFORE**, having fully set forth its Application, Applicant prays that the Commission accept the within Application for filing, approve the adjustments to rates and charges and the modifications to the terms and conditions of service herein, grant any waivers from Commission regulations as may be warranted, and grant to Applicant such other and further

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relief as the Commission may deem just and proper.



John M. S. Hoefer

Benjamin P. Mustian

**WILLOUGHBY & HOEFER, P.A.**

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Palmetto Wastewater  
Reclamation LLC d/b/a Alpine Utilities

This 2<sup>nd</sup> day of July, 2012.  
Columbia, South Carolina



PALMETTO WASTEWATER RECLAMATION LLC  
D/B/A ALPINE UTILITIES  
1710 WOODCREEK FARMS ROAD  
ELGIN, SC 29045  
(803) 699-2422

**PROPOSED SEWER RATE SCHEDULE**

1. **MONTHLY CHARGE**

- |    |   |          |
|----|---|----------|
| a. | Residential - Monthly charge per<br>single-family house, condominium,<br>villa or apartment unit  | \$34.14  |
| b. | Mobile Homes  | \$ 25.61 |
| c. | Commercial - Monthly charge per<br>single-family equivalent   | \$ 34.14 |
| d. | The monthly charges listed above are minimum charges and shall apply even if<br>the equivalency rating is less than one (1). If the equivalency rating is greater<br>than one (1), then the monthly charges may be calculated by multiplying the<br>equivalency rating by the monthly charge of \$34.14 |          |

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc. Minimum commercial customer equivalency ratings may exceed one (1) in some cases.

The Utility may, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. **NONRECURRING CHARGES**

- a. Sewer service connection charge per single-family equivalent \$250.00
- b. The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. **NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES**

- a. Notification Fee: A fee of \$25.00 shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R.103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating that cost.
- b. Customer Account Charge: A fee of \$20.00 shall be charged as a one-time fee to defray the costs of initiating service.
- c. Reconnection charges: In addition to any other charges that may be due, a reconnection fee of \$250.00 shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. The amount of the reconnection fee shall be in accordance with R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time.

4. **BILLING CYCLE**

Recurring charges will be billed monthly. Nonrecurring charges will be billed and collected in advance of service being provided.

5. **LATE PAYMENT CHARGES**

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1½%) percent.

6. **TOXIC AND PRETREATMENT EFFLUENT GUIDELINES**

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §§ 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §§ 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

7. **REQUIREMENTS AND CHARGES PERTAINING TO SATELLITE SYSTEMS**

- a. Where there is connected to the Utility's system a satellite system, as defined in DHEC Regulation 61-9.505.8 or other pertinent law, rule or regulation, the owner or operator of such satellite system shall operate and maintain same in accordance with all applicable laws, rules or regulations.
- b. The owner or operator of a satellite system shall construct, maintain, and operate such satellite system in a manner that the prohibited or untreated materials referred to in Section 6 of this rate schedule (including but not limited to Fats, Oils, Sand or Grease), stormwater, and groundwater are not introduced into the Utility's system.
- c. The owner or operator of a satellite system shall provide Utility with access to such satellite system and the property upon which it is situated in accordance with the requirements of Commission Regulation 103-537.
- d. The owner or operator of a satellite system shall not less than annually inspect such satellite system and make such repairs, replacements, modifications, cleanings, or other undertakings necessary to meet the requirements of this Section 7 of the rate schedule. Such inspection shall be documented by written reports and video recordings of television inspections of lines and a copy of the inspection report received by the owner or operator of a satellite system, including video of the inspection, shall be provided to Utility. Should the owner or operator fail to undertake such inspection, Utility shall have the right to arrange for such inspection and to recover the cost of same, without mark-up, from the owner or operator of the satellite system.

- e. Should Utility determine that the owner or operator of a satellite system has failed to comply with the requirements of this Section 7 of the rate schedule, with the exception of the requirement that a satellite system be cleaned, the Utility may initiate disconnection of the satellite system in accordance with the Commission's regulations, said disconnection to endure until such time as said requirements are met and all charges, costs and expenses to which Utility is entitled are paid. With respect to the cleaning of a satellite system, the owner or operator of a satellite system shall have the option of cleaning same within five (5) business days after receiving written notice from Utility that an inspection reveals that a cleaning is required. Should the owner or operator of such a satellite system fail to have the necessary cleaning performed within that time frame, Utility may arrange for cleaning by a qualified contractor and the cost of same, without mark-up, may be billed to the owner or operator of said system.

8. **CONSTRUCTION STANDARDS**

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed in constructing parts of the system.

9. **EXTENSION OF UTILITY SERVICE LINES AND MAINS**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point on the Utility's sewer system may receive service, subject to paying the appropriate fees and charges set forth in this rate schedule, complying with the guidelines and standards hereof, and, where appropriate, agreeing to pay an acceptable amount for multi-tap capacity.

10. **CONTRACTS FOR MULTI-TAP CAPACITY**

The Utility shall have no obligation to modify or expand its plant, other facilities or mains to treat the sewerage of any person or entity requesting multi-taps (a commitment for five or more taps) unless such person or entity first agrees to pay an acceptable amount to the Utility to defray all or a portion of the Utility's costs to make modifications or expansions thereto.

11. **SINGLE FAMILY EQUIVALENT**

A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2011), as may be amended from time to time. Where the Utility has reason to suspect that a person or entity is exceeding design loadings established by the Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities, the Utility shall have the right to request and receive water usage records from that person or entity and/or the provider of water to such person or entity. Also, the Utility shall have the right to conduct an "on premises" inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Utility shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

Alpine Utilities  
Balance Sheet  
for the Year Ended December 31, 2011

Schedule A  
Page 1 of 2

Line No.	<u>NARUC Account Number and Title</u> (1)		<u>Year-End Balance</u> (2)
1	<b>ASSETS</b>		
2			
3	<b>Utility Plant</b>		
4	101	Utility Plant in Service	\$ 1,837,846
5	105	Construction Work in Progress	293,391
6	<b>Total Utility Plant</b>		<u>2,131,237</u>
7			
8	108.1	Accumulated Depreciation - Utility Plant	(1,151,612)
9	114	Utility Plant Acquisition Adjustments	<u>1,182,098</u>
10	<b>Net Utility Plant</b>		<u>2,161,724</u>
11			
12	<b>Other Property and Investments</b>		
13	125	Other Investments	540,070
14	127	Other Special Funds	<u>150</u>
15	<b>Total Other Property and Investments</b>		<u>540,220</u>
16			
17	<b>Current and Accrued Assets</b>		
18	141	Customer Accounts Receivable	84,933
19	142	Other Accounts Receivable	5,360
20	143	Accumulated Provision for Uncollectible Accounts-Credit	(43,179)
21	162	Prepayments	<u>22,514</u>
22	<b>Total Current and Accrued Assets</b>		<u>69,629</u>
23			
24	186.2	Other Deferred Debits - Net	215,545
25	190	Deferred Income Taxes	<u>10,857</u>
26			
27	<b>TOTAL ASSETS</b>		<u>\$ 2,997,974</u>
28			
29			
30			
31			
32			

Alpine Utilities  
Balance Sheet  
for the Year Ended December 31, 2011

Schedule A  
Page 2 of 2

<u>Line No.</u>	<u>NARUC Account Number and Title</u> (1)	<u>Year-End Balance</u> (2)
1	<b>EQUITY CAPITAL AND LIABILITIES</b>	
2		
3	<b>Equity Capital</b>	
4	211 Other Paid-In Capital	\$ 1,629,588
5	215 Unappropriated Retained Earnings	(156,287)
6	<b>Total Equity Capital</b>	<u>1,473,301</u>
7		
8	<b>Current and Accrued Liabilities</b>	
9	233 Accounts Payable to Associated Companies	974,335
10	241 Miscellaneous Current and Accrued Liabilities	<u>458,343</u>
11	<b>Total Current and Accrued Liabilities</b>	<u>1,432,678</u>
12		
13	<b>Contributions in Aid of Construction (CIAC)</b>	
14	271 Contributions in Aid of Construction	451,045
15	272 Accumulated Amortization of CIAC	<u>(362,973)</u>
16	<b>Net CIAC</b>	<u>88,072</u>
17		
18	282 Accumulated Deferred Income Taxes - Liberalized Depr.	<u>3,923</u>
19		
20	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	<u><u>\$ 2,997,974</u></u>
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		

Alpine Utilities  
Income Statement  
Year Ended December 31, 2011

Line No.	NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Proposed Increase (5)	Pro-forma Proposed (6)
1	<b>400 OPERATING REVENUE</b>					
2	521.1 Flat Rate Residential Revenue	\$ 191,775		\$ 191,775	\$ 205,864	\$ 397,639
3	521.2 Flat Rate Commercial Revenue	611,866	51,408 1/	663,274	474,650	1,137,924
4	521.5 Flat Rate Multi-Family	885,687	-	885,687	1,023,961	1,909,648
5	536.8 Late Fees	2,339	-	2,339	-	2,339
6	Other Sewer Revenues - Reconnect Fees	750		750	-	750
7	536 Other Sewer Revenues - Returned Check Fee	50	-	50	-	50
8	<b>400 TOTAL OPERATING REVENUE</b>	<b>1,692,467</b>	<b>51,408</b>	<b>1,743,875</b>	<b>1,704,476</b>	<b>3,448,351</b>
9						
10	<b>401 OPERATING EXPENSES</b>					
11	<b>SEWER OPERATION AND MAINTENANCE EXPENSES</b>					
12	Purchased Sewage Treatment (Water)	15,678		15,678	-	15,678
13	Sludge removal Expense - Pascon	131,412		131,412	-	131,412
14	Purchased Power	80,957		80,957	-	80,957
15	Chemicals	79,041		79,041	-	79,041
16	Materials and Supplies	1,977		1,977	-	1,977
17	Contract Services - Other - Collection System	3,135		3,135	-	3,135
18	Contract Services - Other - Operations	249,767	61,033 3/	310,800	-	310,800
19	Contract Services - Other - Labor - Overtime	28,318		28,318	-	28,318
20	Contract Services - Other - Treatment and Maintenance	14,706		14,706	-	14,706
21	Contract Services - Other - Testing	17,915		17,915	-	17,915
22	Contract Services - Engineering	11,075		11,075	-	11,075
23	Contract Services - Other - Maintenance	73,667		73,667	-	73,667
24	Contract Services - Other - Plant	46,934	320,985 3/	394,652	-	394,652
25	Contract Services - Other - Landmark Pump Station Repairs	15,298		15,298	-	15,298
26	Contract Services - Other - P&S Lines - Collection System	38,568		38,568	-	38,568
27	Contract Services - Other - P&S Lines - Plant	4,162		4,162	-	4,162
28	Contract Services - Other - Polytec	9,008		9,008	-	9,008
29	Contract Services - Other - Sewer Cleanup and Repairs	60,620		60,620	-	60,620
30	<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<b>882,240</b>	<b>382,018</b>	<b>1,264,258</b>	<b>-</b>	<b>1,264,258</b>
31						



Alpine Utilities  
Income Statement  
Year Ended December 31, 2011

Schedule B  
Page 2 of 7

Line No.	NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Pro-forma Present (5)	Pro-forma Proposed (6)
1	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>					
2	701.1 Salaries and Wages - Employees - Cust. Rec. & Collections	\$ 72,397	\$ (72,397) 3/	\$ -	\$ -	\$ -
3	701.3 Salaries and Wages - Employees - Casual Labor	413	(413) 3/	-	-	-
4	703.2 Salaries and Wages - Officers - Supervision	81,342	(81,342) 3/	94,074	-	94,074
5			94,074 5/			
6	704 Employee Pensions and Benefits	6,929	(6,929) 3/	19,902	-	19,902
7			19,902 5/			
8	720.2 Materials and Supplies	10,938	(33,123) 4/	10,938	-	10,938
9	732 Contract Services - Accounting	33,123	(23,570) 4/	-	-	-
10	733 Contract Services - Legal	23,570	(23,570) 4/	-	-	-
11	736 Contract Services - Other - Billing and Collections	17,226	27,274 3/	44,500	-	44,500
12	736 Contract Services - Other - Miscellaneous	7,939		7,939	-	7,939
13	741 Rental of Building/Real Property	10,180	(10,180) 4/	24,786	-	24,786
14			24,786 9/			
15	742 Rental of Equipment - Lease Expense	1,572		1,572	-	1,572
16	742.1 Rental of Equipment - Telephone Expense	5,010		5,010	-	5,010
17	750 Transportation Expense	2,739	(2,739) 4/	-	-	-
18	757 Insurance - General Liability	9,441		9,441	-	9,441
19	759 Insurance - Other - Property Insurance	6,342		6,342	-	6,342
20	766 Regulatory Commission Expenses - Amort. of Rate Case Exp.	-		81,387	-	81,387
21	767 Regulatory Commission Expenses - Other	705		705	-	705
22	770 Bad Debt - Expense	10,019	16,139 6/	26,158	25,567	51,725
23	775.2 Miscellaneous Expenses - Dues, Fees, and Subscriptions	1,441		1,441	-	1,441
24	775.3 Miscellaneous Expenses - Bank Service Charges	1,495	8,516 14/	10,011	-	10,011
25	775.5 Miscellaneous Expenses - Customer Meeting Expenses	2,829		2,829	-	2,829
26	775.6 Miscellaneous Expenses - Repairs and Maintenance	20,892		20,892	-	20,892
27	775.7 Miscellaneous Expenses - General	45		45	-	45
28	775.8 Miscellaneous Expenses - General - Overhead Allocation	403,491	273,311 11/	676,802	-	676,802
29	Miscellaneous Expenses - Meals and Entertainment	420		420	-	420
30	<b>TOTAL ADMINISTRATIVE AND GENERAL EXPENSES</b>	<b>730,498</b>	<b>314,697</b>	<b>1,045,196</b>	<b>25,567</b>	<b>1,070,763</b>
31						
32	<b>TOTAL OPERATING AND MAINTENANCE EXPENSES</b>	<b>1,612,739</b>	<b>696,716</b>	<b>2,309,454</b>	<b>25,567</b>	<b>2,335,021</b>

Alpine Utilities  
Income Statement  
Year Ended December 31, 2011

Line No.	NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Pro-forma Present (5)	Pro-forma Present (6)
1	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>					
2	403 Depreciation Expense	\$ 68,609	\$ 69,176	\$ 137,785	\$ -	\$ 137,785
3	407 Amortization Expense - CIAC	(14,563)	(15,522)	(30,085)	-	(30,085)
4	407 Amortization Expense - Capitalized Maintenance	-	102,627	102,627	-	102,627
5	<b>TOTAL DEPRECIATION AND AMORTIZATION EXPENSE</b>	<b>54,046</b>	<b>156,281</b>	<b>210,327</b>	<b>-</b>	<b>210,327</b>
6	<b>TAXES OTHER THAN INCOME TAX EXPENSE</b>					
7	408 Taxes Other Than Income - Property Taxes	20,286	936	21,222	-	21,222
8	408 Taxes Other Than Income - Payroll Taxes	12,140	(12,140)	5,369	-	5,369
9			5,369	-	-	-
10	408 Taxes Other Than Income - Taxes and Licenses	3,035	-	3,035	-	3,035
11	408 Taxes Other Than Income - SCPSC Assessment	5,549	5,389	10,937	-	10,937
12	<b>TOTAL TAXES OTHER THAN INCOME TAX EXPENSE</b>	<b>41,010</b>	<b>(447)</b>	<b>40,563</b>	<b>-</b>	<b>40,563</b>
13						
14	<b>INCOME TAX EXPENSE</b>					
15	409 Income Taxes - State Income Tax	(1,455)	(40,057)	(41,513)	83,945	42,433
16	409 Income Taxes - Federal Income Tax	(9,402)	(258,769)	(268,171)	542,287	274,116
17	410.1 Deferred Income Taxes	3,923	-	3,923	-	3,923
18	<b>TOTAL INCOME TAX EXPENSE</b>	<b>(6,934)</b>	<b>(298,826)</b>	<b>(305,760)</b>	<b>626,233</b>	<b>320,472</b>
19						
20						
21	<b>INTEREST INCOME AND INTEREST EXPENSE - NET</b>					
22	419 Interest and Dividend Income	(45)	-	(45)	-	(45)
23	427 Interest Income on MCEC Capital Credit	(11,737)	-	(11,737)	-	(11,737)
24	427 Interest Expense	36,501	-	36,501	-	36,501
25	<b>INTEREST INCOME AND INTEREST EXPENSE - NET</b>	<b>24,719</b>	<b>-</b>	<b>24,719</b>	<b>-</b>	<b>24,719</b>
26						
27	<b>NET INCOME</b>	<b>(33,112)</b>	<b>(502,316)</b>	<b>(535,428)</b>	<b>1,052,676</b>	<b>517,247</b>
28						
29	<b>Operating margin</b>	<b>-1.96%</b>		<b>-30.70%</b>		<b>15.00%</b>
30						
31						
32						

	<u>Debit</u>	<u>Credit</u>
Contract Services - Accounting	\$ 33,122.75	
Contract Services - Legal	23,570.13	
Rent Expense	10,180.27	
Transportation Expense	2,738.99	

741 Rental of Building/Real Property

Alpine Utilities  
Income Statement  
Year Ended December 31, 2011

Line No.				
1	<u>Adjustments:</u>			
2				
3	<u>Adj. No. 10</u> - To include 3-year amortization of rate case expense in cost of service.			
4				
5	<b>Estimated Rate Case Expense</b>			
6	<b>Postage</b>			
7	Number of customers noticed	1,319		
8	Postage cost per mailing	\$ 0.44		
9	Number of Mailings	2		
10	<b>Total Postage Costs</b>	\$ 1,160.72		
11	<b>Consulting Costs</b>			
12	Tangibl LLC	\$ 35,000.00		
13	Burkett, Burkett and Burkett CPA	25,000.00		
14	Marion Sadler	15,000.00		
15	<b>Total Consulting</b>	\$ 75,000.00		
16	<b>Legal Fees</b>			
17	Willoughby and Hoefer	150,000.00		
18	ERC calculation costs	18,000.00		
19	<b>Total Legal</b>	168,000.00		
20				
21	<b>Total</b>	\$ 244,160.72		
22	<b>Amortization period in years</b>	3		
23	<b>Amortization of Rate Case Expense</b>			
24		81,386.90		
25				
26		<u>Debit</u>	<u>Credit</u>	
27	720.2 Materials and Supplies	\$ 386.91	\$ -	
28	733 Contract Services - Legal	56,000.00		
29	736 Contract Services - Other - Miscellaneous	25,000.00		
30				
31				
32				

Alpine Utilities  
Income Statement  
Year Ended December 31, 2011

Line No.					
1	<u>Adjustments:</u>				
2					
3	<u>Adj. No. 11</u> - To adjust corporate overhead to the current annualized level.				
4			<u>Debit</u>	<u>Credit</u>	
5	775.8 Miscellaneous Expenses - General - Overhead Allocation	\$ 676,801.97		\$ 403,490.64	
6					
7	<u>Adj. No. 12</u> - To adjust depreciation and amortization expense to the pro-forma level.*				
8		<u>Debit</u>	<u>Credit</u>		
9	403 Depreciation Expense	\$ 137,784.54	\$ 68,608.94		
10	407 Amortization Expense - CIAC	14,563.00	30,084.70		
11	407 Amortization Expense - Capitalized Maintenance	102,627.19	-		
12		<u>\$ 254,974.73</u>	<u>\$ 98,693.64</u>		
13	* See Schedule D for detail.				
14					
15	<u>Adj. No. 13</u> - To reflect income taxes related to all other adjustments				
16		<u>Debit</u>	<u>Credit</u>		
17	409 Income Taxes - State Income Tax	\$ -	\$ 40,057.10		
18	409 Income Taxes - Federal Income Tax	-	258,768.89		
19					
20	<u>Adj. No. 14</u> - To reflect ongoing costs of electronic payment program.				
21		<u>Debit</u>	<u>Credit</u>		
22	775.3 Bank Service Charges	\$ 8,515.92	\$ -		
23					
24					
25					
26					
27					
28					
29					
30					

Alpine Utilities

Schedule C  
Page 1 of 2

Billed Revenue at Present and Proposed Rates

Line No.	Customer Class (1)	Avg. Monthly SFEs (#) (2)	Monthly Rate (\$/Mo.) (3)	Revenue (\$) (4)
1	<b>Billed Revenue at Present Rates</b>			
2				
3	<b>Calculated Service Revenue</b>			
4	Residential	953	16.75	191,553
5	Residential - Mobile Home	1	13.23	159
6	Small Apartments	107	16.75	21,507
7	Large Apartments	4,219	16.75	848,019
8	Large Apartments (\$4.00)	336	4.00	16,128
9	Commercial	3,044	16.75	611,844
10	<b>Total Calculated Service Revenue</b>	<b>8,660</b>		<b>1,689,210</b>
11				
12	<b>Actual Service Revenue</b>			<b>1,689,328</b>
13				
14	<b>Rounding Difference</b>			<b>118</b>
15				
16				
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Alpine Utilities

Schedule C  
Page 2 of 2

Billed Revenue at Present and Proposed Rates

Line No.	Customer Class (1)	Avg. Monthly SFEs (#) (2)	Adj. SFEs (3)	Monthly Rate (\$/Mo.) (4)	Revenue (\$) (5)
1	Revenue at Proposed Rates				
2					
3	Service Revenue				
4	Residential	953	953	\$ 34.14	\$ 390,368
5	Residential - Mobile Home	1	1	25.61	307
6	Small Apartments	107	107	34.14	43,829
7	Large Apartments	4,555	4,555	34.14	1,865,819
8	Commercial	3,044	2,778	34.14	1,137,924
9	Subtotal	8,660	8,394		3,438,248
10					
11	Growth in SFEs				
12	Residential	17	17	34.14	6,964
	Multi-family	-	-	34.14	-
13	Commercial	-	-	34.14	-
14	Total Growth	17	17		6,964
15					
16	Total Service Revenue	8,677	8,411		3,445,212
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					



Alpine Utilities

Schedule D  
Page 1 of 2

Original Cost and Annual Depreciation and Amortization for the Year Ended December 31, 2011

Line No.	Acct No.	Description (2)	Pro-forma (4)		Pro-forma Original cost (6)	Service Life (7)	Annual Depr. Rate (8)	Annual Depr. Exp. (9)	Accum. Depr. @ 12-31-11 (10)	Pro-Forma Depr. Exp. (11)
			Additions	Retirements						
1		Plant in Service								
2										
3	353	Land and Land Rights	\$ -	\$ -	\$ 40,842	-	-	\$ -	\$ -	-
4										
5	354	Structures and Improvements								
6		Buildings	14,832	-	14,832	32	3.13%	464	9,228	464
7		Building - Mobile	21,853	-	21,853	16	6.25%	1,366	7,284	1,366
8		Fence	11,030	-	11,030	27	3.70%	408	8,068	408
9		Fence - Fully Accrued	1,526	-	1,526	-	-	-	1,526	-
10		Total Account 354	49,240	-	49,240			2,238	26,106	2,238
11										
12	355	Power Generating Equipment	13,860		13,860	20	5.00%	693	8,316	
13										
14	361	Collection Sewers - Gravity								
15		Lines	-	1,569,845	-	45	2.22%	-	-	34,851
16		Manholes	223,160	37,115	260,275	30	3.33%	7,431	815	8,667
17		Total Account 361	223,160	1,606,960	1,830,120			7,431	815	43,518
18										
19	363	Services to Customers - Elder Valves	2,959		2,959	38	2.63%	78	9	78
20										
21	371	Pumping Equipment	8,094	-	8,094	15	6.67%	540	2,563	540
22		Pumping Equipment	27,519	-	27,519	-	-	-	27,519	-
23		Pumping Equipment - Fully Depreciated	23,048	-	23,048	25	4.00%	922	3,765	922
24		Cabinets								
25		Total Account 371	58,660	-	58,660			1,462	33,846	1,462
26										
27		Treatment and Disposal Equipment								
28	380	Chlorination Equipment - Fully Depreciated	13,991	-	13,991	-	-	-	13,991	-
29		Pumping Equipment	13,500	-	13,500	15	6.67%	900	9,750	900
30		Pumping Equipment - Fully Depreciated	8,018	-	8,018	-	-	-	8,018	-
31		Other	541,082	935,244	1,476,326	18	5.56%	30,084	218,868	82,084
32		Other - Fully Depreciated	413,642	-	413,642	-	-	-	413,642	-
33		Total Account 380	990,232	935,244	1,925,476			30,985	664,268.23	82,984

[illegible]

Alpine Utilities

Schedule E  
Page 1 of 1

Present and Expected Customers

<u>Line No.</u>	<u>Date</u>	<u>No. of Customers</u>	<u>SFEs</u>	<u>Adjusted SFEs*</u>
1	<b>Residential</b>			
2	12/31/2010	945	945	945
	2011 Avg.	954	954	954
3	12/31/2011	962	962	962
4	12/31/2012	979	979	979
5				
6	<b>Multi-family</b>			
7	12/31/2010	139	4706	4706
	2011 Avg.	138	4662	4662
8	12/31/2011	137	4618	4618
9	12/31/2012	137	4618	4618
10				
11	<b>Commercial and Industrial</b>			
12	12/31/2010	222	3110	2839
	2011 Avg.	218	3044	2778
13	12/31/2011	213	2978	2718
14	12/31/2012	213	2978	2718
15				
16	<b>Total</b>			
17	12/31/2010	1306	8761	8490
	2011 Avg.	1310	8660	8394
18	12/31/2011	1312	8558	8298
19	12/31/2012	1329	8575	8315

\* Change in number of SFEs related to commercial customers is based on the recent ERC/SFE study

20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34

Exhibit "C" to Application  
Docket No. 2012-94-S

BOARD:

Paul C. Aughtry, III  
Chairman

Edwin H. Cooper, III  
Vice Chairman

Steven G. Kisner  
Secretary



C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

BOARD:

Henry C. Scott

M. David Mitchell, MD

Glenn A. McCall

Coleman F. Buckhouse, MD

June 26, 2012

Via e-mail

Mr. John Hoefler  
Willoughby & Hoefler, P.A.  
PO Box 8416  
Columbia, SC 29202-8416

RE: Your e-mail of June 26, 2012  
PSC application: Palmetto Wastewater Reclamation LLC/Alpine Utilities  
Wastewater permit: SC0029483 (Richland County)

Dear Mr. Hoefler:

In the context of a PSC rate case, this letter affirms that this company has the valid wastewater permits to operate this system. The system is authorized to discharge up to an average flow of 2.0 million gallons per day.

I can be reached at 803-898-4157 or at [debessjp@dhec.sc.gov](mailto:debessjp@dhec.sc.gov).

Sincerely,

Jeffrey P. deBessonnet, P.E., Director  
Water Facilities Permitting Division



KEEP THIS COPY FOR YOUR RECORDS

Palmetto Wastewater Reclamation, LLC-Alpine  
1713 Suite A Woodcreek Farms Road  
Elgin, South Carolina 29045  
(803) 699-2422

Office Hours:  
8:30 A.M. To 4:30 P.M.  
Closed Saturday and Sunday

All rate schedules are approved by the  
S.C. Public Service Commission and are  
available for viewing at our office.  
For emergencies call 803-699-2422  
(24 hours a day)

Billing Date 6/5/2012

ACCOUNT NUMBER	CURRENT CHARGES DUE DATE	PREVIOUS BALANCE
[REDACTED]	6/30/2012	\$0.00
SERVICE FROM	SERVICE TO	NEW CHARGES
6/1/2012	6/30/2012	
Sewer		\$16.75
Late Penalty		\$0.00
Reconnect		\$0.00
Adjustment		\$0.00
SERVICE ADDRESS		TOTAL AMOUNT DUE
[REDACTED]		\$16.75

Remittance Stub

PWR, LLC-Alpine

Customer Name: [REDACTED]

Account Number: [REDACTED]

Current Charges Due Date: 6/30/2012

Total Amount Due: \$16.75

As of April 12, 2012 PWR, LLC.  
has moved across the street to  
1713 Suite A Woodcreek Farms Rd,  
Elgin, S.C. 29045.

**PALMETTO WASTEWATER RECLAMATION, LLC**

(803) 699-2422  
1710 WOODCREEK FARMS ROAD  
ELGIN, SOUTH CAROLINA 29045

BANK OF AMERICA

67-448/539

Exhibit "E" to Application

Docket NO. 2012-94-S

Page 1 of 2

0406

6/25/2012

PAY TO THE ORDER OF South Carolina Department of Revenue

\$ \*\*10,731.61

Ten Thousand Seven Hundred Thirty-One and 61/100\*\*\*\*\*

DOLLARS

South Carolina Department of Revenue  
License Tax Office Audit  
PO Box 125  
Columbia, SC 29214

VOID AFTER 90 DAYS

*Craig R. Howard*  
AUTHORIZED SIGNATURE



MEMO

PSC Utility Assessment for 07/01/12 - 06/30/13

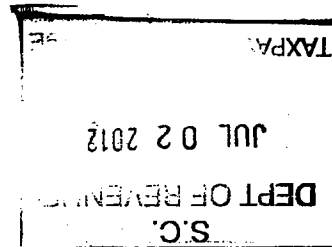
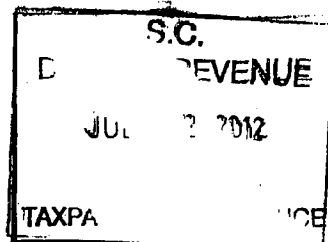
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**PALMETTO WATERWASTE RECLAMATION, LLC**

South Carolina Department of Revenue

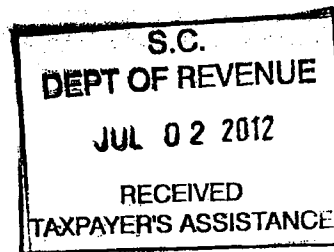
0406

Date	Type	Reference	Original Amt.	Balance Due	6/25/2012 Discount	Payment
6/22/2012	Bill	June 2012 - Alpine	10,731.61	10,731.61		10,731.61
				Check Amount		10,731.61



PWR Checking - 9631 PSC Utility Assessment for 07/01/12 - 06/30/13

10,731.61



05/21/2012 15:35 8038961958

SC DOR

PAGE 02

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State of South Carolina  
Department of Revenue  
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

---

PSC UTILITY ASSESSMENT

L PDMS LOA PSCUTIL 80691193-6  
PALMETTO WASTEWATER RECLAMATION, LLC:  
1710 WOODCREEK FARMS RD  
ELGIN, SC 29045  
ATTEN: DONNA TUTTLE

FILE # 80691193-6  
FEI #  
PERIOD 06/12  
ISSUE DATE 062212  
AMOUNT DUE \$10,731.61  
DUE DATE 07/15/12

---

Gross Receipts:	\$1,688,457.00
Administration Fee:	\$2,511.54
Electric:	\$0.00
Regulated Gas:	\$0.00
Municipality Gas:	\$0.00
Telecommunications:	\$0.00
Railroads:	\$0.00
Water/Waste:	\$8,220.07
Transportation:	\$0.00
Telecommunications LEC	\$0.00
Regulatory Staff Fee OR	\$0.00

TOTAL DUE: \$10,731.61 G/L ACCT. CODE: 14-2450

---

	803-309-3226	6/30/12
Authorized Signature / Title	Phone Number	Date

---

Please attach your remittance to the enclosed copy of this notice and send it to:

SOUTH CAROLINA DEPARTMENT OF REVENUE  
LICENSE TAX OFFICE AUDIT  
(Address Above)

PHONE NUMBER: (803) 898-1870


**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2012-94-S**

IN RE: )  
 )  
Application of Palmetto Wastewater )  
Reclamation LLC d/b/a Alpine )  
Utilities for adjustment of rates and )  
charges for, and the modification of, )  
certain terms and conditions related to )  
the provision of sewer service. )  
\_\_\_\_\_ )

This is to certify that I have caused to be served this day one (1) copy of the Application of **Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott  
**Office of Regulatory Staff**  
1401 Main Street, Suite 900  
Columbia, South Carolina 29211

  
\_\_\_\_\_  
Cathy G. Caldwell

Columbia, South Carolina  
This 2<sup>nd</sup> day of July, 2012.